

Legislative Fiscal Bureau

Fiscal Note

HF 649 - Public Defense Legislation (LSB 1468 HV)

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Fiscal Note Version — New

Requested by Representative Baudler

Description

House File 649 modifies the responsibilities of the Emergency Management Division regarding urban search and rescue, incident command system training, and enhanced 911 (E-911) service administration, modifying E-911 surcharges, and provides an effective date.

Assumptions

Urban Search and Rescue

1. The Emergency Management Division is working in partnership with the Des Moines, Sioux City, and Cedar Rapids fire departments to build the Urban Search and Rescue capability. The total team development is expected to cost between \$3.0 million and \$5.0 million. Funding will come from federal grants. The maintenance of the team is expected to cost approximately \$1.0 million per year. Once the team is certified, it is anticipated that the federal government will continue to pay for maintenance costs.
2. The Emergency Management Division anticipates receiving approximately \$500,000 in federal funding for this project in FY 2004.
3. If the Governor activates the Urban Search and Rescue team, the State would incur the cost. The nature and scope of the emergency or disaster determines the cost. The State may be able to recover disaster costs from the federal government if the President declares a national disaster.

Uniform Incident Command System for State Agencies

1. The Emergency Management Division will develop, implement, and support a Uniform Incident Command System for use by State agencies when responding to emergencies and disasters.
2. The Uniform Incident Command System would be developed in accordance with existing systems required by Occupational Safety and Health Administration (OSHA) and the federal government.
3. Federal grant money is available to conduct training necessary to implement the Incident Command Program.

Wireless Enhanced 9-1-1 Service

1. House File 649 would increase the surcharge for E-911 service from \$0.50 to \$0.75 per month, per wireless telephone number.
2. The Emergency Management Division is responsible for the administration of the E-911 Program. However, these dollars are not State General Fund dollars. The surcharge money received must be fully expended each quarter.
3. At the current surcharge rate of \$0.50, receipts are inadequate to pay wireless and wireline (transport) expenses. Current law requires the State to pro-rate payments to the companies. The actual amount needed is \$0.58 per phone. The payments are approximately \$250,000 short each quarter. The annual payment to telephone companies for providing current service is \$7,656,000. As of July 1, 2003, telephone companies will be owed \$2,750,000. The proposed law requires that the companies be repaid this amount before funds can be used for further enhancement of the wireless E-911 system.

4. There are approximately 1,100,000 wireless telephone numbers in Iowa.
5. One month of revenue at the new rate of \$0.75 is \$825,000. Total estimated revenue generated in FY 2004 is \$9,900,000. Of this amount, \$7,656,000 is the annual payment to telephone companies for providing current service; \$200,000 is the annual amount that the Emergency Management Division keeps for Program administration. The remaining \$2,044,000 will be used to pay the amount owed the telephone companies. The remaining \$706,000 owed to the telephone companies will be paid off in FY 2005. The remaining \$632,000 will begin to be applied to the enhancement program for Phase 2.
6. Phase 2 wireless E-911 service will require upgrades to the telephone network, as well as upgrades to the 127 Public Safety Answering Points (PSAP) within the State. The cost of telephone upgrade is an annual recurring cost of \$323,000. The cost of PSAP upgrades is estimated to be \$4,500,000. Once all other obligations are complete, there would be \$632,000 available to begin the enhancement program.
7. The earliest that the Wireless Enhanced E-911 service could be implemented is FY 2008.

Fiscal Impact

Wireless Enhanced 9-1-1 Service

The \$0.75 per month, per telephone number surcharge will be applied to approximately 1,100,000 cell phones. The following is the distribution of the revenue generated from the surcharge.

	<u>FY 2004</u>	<u>FY 2005</u>
Revenues		
Surcharge Fees	\$ 9.9M	\$ 9.9M
Distribution		
Program Administration	\$ 0.2M	\$ 0.2M
Telephone Company Payments	7.7M	7.7M
Debt Repayment	2.0M	0.7M
Phase 2	0.0M	1.3M
Total	<u>\$ 9.9M</u>	<u>\$ 9.9M</u>
Net Impact	<u>\$ 0.0M</u>	<u>\$ 0.0M</u>

The \$2,750,000 owed to the telephone companies will be repaid in FY 2005 and Phase 2 wireless E-911 upgrades can begin. Phase 2 wireless E-911 service will require upgrades to the telephone network, as well as upgrades to the 127 Public Safety Answering Points (PSAP) within the State. The cost of the telephone upgrades is \$323,000 annually. The cost of PSAP upgrades is estimated to be \$4,500,000, which is a one-time cost that will be spread over multiple years. In FY 2005, \$1,338,000 in surcharge fees will be applied to the ongoing telephone upgrades and the one-time PSAP upgrades.

In FY 2008, there would be \$632,000 available to begin the enhancement program. The equipment for the E-911 Program will be five years old and the next round of telephone network upgrades and Public Safety Answering Points (PSAP) upgrades is scheduled to begin.

Source

Emergency Management Division

/s/ Dennis C Prouty

March 24, 2003

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
